

MEMORANDUM

November 23, 2010

TO: Nancy Floreen, Council President

FROM: Aron Trombka^{AT}, Senior Legislative Analyst, OLO

SUBJECT: Budget Spreadsheet
OLO Presentation on Achieving a Structurally Balanced Budget

As you requested, I have printed three scenarios from the budget spreadsheet we presented to the Council today.

- **Scenario One** assumes a balanced budget in each year through FY16 but shows agency spending on salaries and operating expenses decreasing in each on the next three fiscal years.
- **Scenario Two** shows the multi-year deficit that would occur if agency salary and operating costs grow by one percent each year through FY16.
- **Scenario Three** shows the multi-year deficit that would occur if agency salary and operating costs grow by three percent each year through FY16.

As stated in the presentation today, the sources for all the data in the spreadsheets are the approved Fiscal Plan, agency budget documents, and reports from agency actuaries.

Please let me know if you would like additional information.

c: Councilmembers

BALANCE SHEET
Tax Supported Funds - Four Agencies Combined (\$ millions)
Scenario One: Balanced Budget

	FY11	FY12	FY13	FY14	FY15	FY16
Tax Revenue <i>Fiscal Plan Estimate</i>	\$3,821	\$3,902	\$3,921	\$4,062	\$4,252	\$4,424
Debt Service	\$264	\$295	\$329	\$356	\$379	\$396
Contribution to Reserves / Set Aside	\$141	\$55	\$49	\$45	\$61	\$61
CIP Current Revenue / PAYGO	\$24	\$73	\$90	\$114	\$117	\$96
Benefit Obligations						
Group Insurance - Active & Retirees	\$394	\$436	\$474	\$516	\$561	\$611
Retirement/Pension Plans	\$193	\$209	\$229	\$250	\$263	\$264
OPEB Contributions		\$84	\$103	\$122	\$140	\$147
Pension Transfer (Senate Plan)		\$13	\$41	\$69	\$70	\$70
Agency Salaries and Operating Expenses	\$2,805	\$2,737	\$2,607	\$2,590	\$2,661	\$2,780
<i>Annual Change:</i>		-2.4%	-4.7%	-0.6%	2.7%	4.4%
BALANCE	\$0	\$0	\$0	\$0	\$0	\$0

SIX-YEAR BALANCE \$0

BALANCE SHEET

Tax Supported Funds - Four Agencies Combined (\$ millions)
Scenario Two: 1% Annual Growth in Agency Salaries and Operating Expenses

	FY11	FY12	FY13	FY14	FY15	FY16
Tax Revenue <i>Fiscal Plan Estimate</i>	\$3,821	\$3,902	\$3,921	\$4,062	\$4,252	\$4,424
Debt Service	\$264	\$295	\$329	\$356	\$379	\$396
Contribution to Reserves / Set Aside	\$141	\$55	\$49	\$45	\$61	\$61
CIP Current Revenue / PAYGO	\$24	\$73	\$90	\$114	\$117	\$96
Benefit Obligations						
Group Insurance - Active & Retirees	\$394	\$436	\$474	\$516	\$561	\$611
Retirement/Pension Plans	\$193	\$209	\$229	\$250	\$263	\$264
OPEB Contributions		\$84	\$103	\$122	\$140	\$147
Pension Transfer (Senate Plan)		\$13	\$41	\$69	\$70	\$70
Agency Salaries and Operating Expenses	\$2,805	\$2,833	\$2,861	\$2,890	\$2,919	\$2,948
<i>Annual Change: 1.0%</i>		1.0%	1.0%	1.0%	1.0%	1.0%
BALANCE	\$0	-\$96	-\$254	-\$299	-\$257	-\$168

SIX-YEAR BALANCE **-\$1,075**

BALANCE SHEET

Tax Supported Funds - Four Agencies Combined (\$ millions)

Scenario Three: 3% Annual Growth in Agency Salaries and Operating Expenses

	FY11	FY12	FY13	FY14	FY15	FY16
Tax Revenue <i>Fiscal Plan Estimate</i>	\$3,821	\$3,902	\$3,921	\$4,062	\$4,252	\$4,424
Debt Service	\$264	\$295	\$329	\$356	\$379	\$396
Contribution to Reserves / Set Aside	\$141	\$55	\$49	\$45	\$61	\$61
CIP Current Revenue / PAYGO	\$24	\$73	\$90	\$114	\$117	\$96
Benefit Obligations						
Group Insurance - Active & Retirees	\$394	\$436	\$474	\$516	\$561	\$611
Retirement/Pension Plans	\$193	\$209	\$229	\$250	\$263	\$264
OPEB Contributions		\$84	\$103	\$122	\$140	\$147
Pension Transfer (Senate Plan)		\$13	\$41	\$69	\$70	\$70
Agency Salaries and Operating Expenses	\$2,805	\$2,889	\$2,976	\$3,065	\$3,157	\$3,252
<i>Annual Change: 3.0%</i>		3.0%	3.0%	3.0%	3.0%	3.0%
BALANCE	\$0	-\$152	-\$368	-\$475	-\$495	-\$472

SIX-YEAR BALANCE **-\$1,962**